

OIL AND GAS LEASE

This Oil and Gas Lease (the "Lease") is dated February 4th 2008 (the "Effective Date"). The parties to this Lease are Anita Rae Miller, widow, as Lessor (whether one or more), whose address is 400 Filbert Avenue, Moundsville, WV 26041, and Gastar Exploration USA, Inc. as Lessee, whose address is 1331 Lamar Street, Suite 1080, Houston, TX 77010.

1. **Lease Description.** In consideration of Ten Dollars (\$10.00) paid by Lessee, and other good and valuable considerations, the receipt and sufficiency of which are acknowledged, and for the covenants contained in this Lease, Lessor grants, leases, and lets exclusively to Lessee the following described land (the "Land") in the District of Franklin, Marshall County, West Virginia, Map 12, Parcel 8 and bound substantially by lands now or formerly owned as follows:

On the North by: Darrah
On the East by: Hanna Coal
On the South by: R.W. Riggenbach
On the West by: Hanna Coal & Ohio Power;

being the same land described in that deed dated January 24, 1989 by and between Lloyd G. Miller and Beryle G. Miller, his wife and Alan Miller and Anita R. Miller his wife, recorded in Book/Volume 543, page of 436 of the Deed records of Marshall County West Virginia.

The Land is estimated to comprise 100.7000 acres, whether the tract or tracts contain more or less, which acreage figure may be relied on by Lessee in determining the amount of rentals or other payments provided for in this Lease. In addition to the Land described above, this Lease also covers all accretions and any strips or parcels of land now or later owned by Lessor which are contiguous or adjacent to the Land, including any interest in the Land which Lessor may later acquire by reversion, prescription, or otherwise, together with all oil, gas, and their constituents underlying lakes, rivers, streams, roads, easements, and rights of way which traverse or adjoin any of the Land. All of the Land and rights of Lessor that are covered by and the subject of this Lease may be referred to as the "lease premises."

2. **Term of Lease.** This Lease shall be in force for a primary term of 5 years from the Effective Date, and as long thereafter as oil or gas or other substances covered by this Lease are produced in paying quantities from the lease premises or from lands pooled with the lease premises, or this Lease is maintained in force pursuant to any of its other provisions.

3. **Lease Rights Granted.** Lessee shall have and is granted by Lessor, during the term of this Lease, the exclusive right to enter on the Land to conduct geological, geophysical and seismic surveys and explorations, and to operate for, produce and save oil, gas (the term "gas" as used herein includes but is not limited to, helium, carbon dioxide, and all other commercial gas, as well as all hydrocarbon gases such as natural gas, methane gas, casinghead gas, hydrogen sulfide gas, coalbed methane gas, gob gas, and all natural gas originating, produced, or emitted from coal formations or seams, and any related, associated, or adjacent rock material), liquid hydrocarbons, all gases, and the respective constituents thereof, produced in connection with oil and gas; together with the right to drill wells, recondition producing wells and re-drill and use abandoned well on the Land for all those purposes; together with rights-of-way and servitudes on, over, and through the Land for roads, pipelines, telephone, electric power lines, structures, plants, drips, tanks, stations, structures for machinery, gates, meters, regulators, tools, appliances, materials and other equipment that may be used in exploring for and producing oil, gas, and sulfur storage of gas and liquids, and all other rights and privileges necessary, incident to and convenient for the operation of the Land for production and transportation of oil, gas, and liquid hydrocarbons, and the injection of gas, air, water, or other fluids for the enhanced recovery and production of oil, gas, and sulfur; together with the right to use oil, gas, and water from the Land free of cost to Lessee for all such purposes, except water from Lessor's wells or ponds; to remove, either during or after the term of this Lease, any and all property and improvements placed or located on the Land by Lessee, including the right to draw and remove casing; together with the right of ingress, egress, and regress on, over, and through the Land for any of the purposes of this Lease.

4. **Delay Rental Payments:** This is a Paid-Up Lease and Lessor hereby acknowledges that all delay rental payments due and payable during the primary term of the lease have been paid-up in full in advance.

5. **Royalty Payments:** The royalties reserved by Lessor, and which shall be paid by Lessee, are: (a) on oil (including but not limited to distillate and condensate) One-eighth (1/8) of that produced and saved from the lease premises, the same to be delivered at the wells or to the credit of Lessor in the pipeline to which the wells may be connected, provided; however, Lessee, at its option, may from time to time purchase the royalty oil, paying not less than the price prevailing in the pricing area for oil of like grade and gravity at the time of delivery; (b) on gas, including casinghead gas and all other gaseous or vaporous substances, produced from the Land and sold or used off the lease premises or in the manufacture of gasoline or in the extraction of sulphur or any other product, the market value at the wells of One-eighth (1/8) of the gas sold or used, with the market value at the wells in no event to exceed the net proceeds received by Lessee calculated or allocated back to the wells from which produced, making allowance and deduction for a fair and reasonable charge for gathering, compressing, and making the gas merchantable, provided, that on gas sold at the wells, the royalty shall be One-eighth (1/8) of the net proceeds received by Lessee from the sale, all allowances and deductions, and provided further that, if any sale of gas is regulated as to price by any governmental agency having the jurisdiction, the market value or net proceeds shall in no event exceed the amount received by Lessee, not subject to refund, calculated, or allocated back to the wells from which produced, making allowance and deduction for a fair and reasonable charge for gathering, compressing, and making the gas merchantable, and which amount may be further adjusted up or down prospectively or retrospectively when the price or rate authorized by the governmental agency is finally determined; (c) on sulphur extracted and marketed, One Dollar (\$1.00) per long ton. Lessor agrees to pay any and all taxes levied or assessed on the Lessor's interest in the production of oil, gas, and sulphur from the lease premises and Lessee is authorized to pay the taxes and assessments on behalf of Lessor and to deduct the amount so paid from any monies payable to Lessor. In the event any extraneous substance (being any substance that is obtained from sources other than the lease premises or lands pooled or unitized with the lease premises) is injected into subsurface strata in connection with secondary, tertiary, or other enhanced recovery operations, any like substance thereafter produced, or contained in oil or gas produced from the strata shall be deemed to be part of the extraneous substance injected until the total volume equals the total volume of the extraneous substance injected, and no royalty shall be payable on any extraneous substance. Lessee shall not be obligated to make payment to any individual payee or agent hereunder until such payment equal the sum of Twenty Five and no/100 Dollars (\$25.00), but in any case, payment shall be made at least once each calendar year.

6. **Shut-In Royalty:** During any period (whether before or after expiration of the primary term) where there is a gas well on the lease premises or on a unit that includes all or a part of the lease premises, however designated, capable of producing gas and gas is not being sold or used on or off the lease premises and the well or wells are shut-in and there is no current production of oil or operations on any part of the lease premises sufficient to keep this Lease in force, Lessee shall be obligated to pay or tender as shut-in royalty an amount (which shall be the same and shall be paid regardless of the number of shut-in wells and regardless of whether the shut-in well or wells be located on the lease premises or on other acreage included in a unit) for each twelve (12) month period equal to five dollars (\$ 5.00) per acre and it will be considered that gas is produced, for all purposes of this Lease the period that a well or wells are shut-in. The shut-in royalty payment for the first twelve (12) month period shall be payable within ninety (90) days following shutting-in of the well, and payment for each subsequent twelve (12) month period shall be payable on or before the anniversary date of the ninety (90) day period from the shut-in date of the well. The amount of each shut-in royalty payment may be paid by check and the payments may be commenced and continued either during or beyond the primary term. Lessee's failure to properly pay shut-in royalty payments shall render the Lessee liable for the amount due but shall not operate to terminate this Lease. Lessee shall use reasonable diligence to market gas capable of being produced from a shut-in well or wells, but shall be under no obligation to market gas under terms, conditions, or circumstances, which, in Lessee's judgment, exercised in good faith, are unsatisfactory.

7. **Pooling.** Lessee is given and granted the right, at its option, at any time and from time to time, within the primary term or at any time during which this Lease may be extended by any of its provision, to pool, unitize, and reform, enlarge and/or reduce a unit or pool, and re-pool all or any part or parts of the lease premises or rights, depths, strata, or formations, with any other land in the vicinity of the Lease, or with any leasehold, operating, or other rights or interests in other land to create units of such size and surface acreage as Lessee may desire but containing not more than eighty (80) acres for an oil well and not more than six hundred forty (640) acres for a gas well plus, in each case, a ten percent (10%) acreage tolerance. If at any time larger units are specified or permitted under any then applicable law, rule, regulation, or order of any governmental authority for the drilling, completion or operation of a well, or for obtaining maximum allowable, any unit may be established or enlarged to conform to the size authorized or permitted. Each unit or reformation of a unit may be created by governmental authority or by recording in the appropriate county office a declaration containing a description of the pooled or unitized acreage. Any well which is commenced, or is drilled, or is on any part of any lands which have been or later pooled with the lease premises shall, except for the payment of royalties, be considered a well commenced, drilled, and producing on the lease premises subject to this Lease. There shall be allocated to the portion of the lease premises included in any unit, pooling or re-pooling the proportion of the actual production from all lands unitized, pooled or re-pooled as the portion of lease premises, computed on an acreage basis, bears to the entire acreage of the lands unitized, pooled or re-pooled. The production so allocated shall be considered for the purpose of payment or delivery of royalty to be the entire production from the portion of the lease premises included in the unit, pooling or re-pooling in the same manner as though produced from the portion of the lease premises under the terms of this Lease. A unit established by the terms of this Lease shall be valid and effective for all purposes of this Lease even though there may be land, oil, and gas rights, royalty, and/or leasehold interests in land within the unit which are not pooled or unitized, or even though there may be a failure of the leasehold title (in whole or in part) to any tract or interest included in a pooled unit.

8. **Warranty and Lesser Interest.** Lessor warrants and agrees to defend the title to the Land, covenants that Lessee will have quiet enjoyment under this Lease, covenants that Lessee shall have the benefit of the doctrine of after-acquired title, and covenants that Lessee, at its option, may discharge any tax, mortgage, or other lien on the Land in the event of default in payment by Lessor, and be subrogated to the rights of the holder of a mortgage or lien with the right to enforce same and apply royalties and payments accruing under this Lease toward satisfying same. Lessor further warrants that the leased premises are not subject to any valid prior oil and gas leases. Without impairment of Lessee's rights under this warranty in event of failure of title, it is agreed that if Lessor owns an interest in the Land less than the entire oil and gas estate covered by this Lease, then the rentals and royalties to be paid Lessor shall be reduced proportionately.

9. **Notices.** Failure to pay or an error in paying any rental or other payment due Lessor shall not constitute a ground for forfeiture of this Lease and shall not affect Lessee's obligation to make a payment, but Lessee shall not be considered in default on account of a failure or error until Lessor has first given Lessee written notice of the non-payment and Lessee shall have failed for a period of thirty (30) days after receipt of the notice to make the payment.

10. **Ownership Changes.** The rights of Lessor or Lessee may be assigned or transferred in whole or in part, but no change or division in ownership of the lease premises, shut-in rentals, storage rentals, or royalties, or in the status of Lessor or Lessee, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No change in ownership or status of Lessor shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by U.S. mail, at Lessee's principal place of business, with a certified copy of the recorded instrument or instruments satisfactory to the Lessee, evidencing the change in ownership. In the event of the death of any person entitled to any payment provided for in this Lease, Lessee may pay or tender the same to the credit of the deceased or to the estate of the deceased until the time Lessee is furnished with proper evidence of the appointment and qualification of an executor or administrator of the estate or, if there be none, evidence satisfactory to Lessee as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more parties are entitled to or adversely claim all or any part of any sums payable under the terms of this Lease, Lessee may pay or tender the sums either jointly to the parties or separately to each in accordance with their respective ownership. If six or more parties become entitled to royalty, Lessee may withhold payment unless and until furnished with a recordable instrument executed by all parties designating an agent to receive payment for all. In the event of assignments of this Lease as to a segregated portion of the lease premises, shut-in rentals, and storage rentals payable under the terms of this Lease shall be apportionable between the several leasehold owners ratably according to the surface area of each, and the failure to pay shut-in rentals or storage rentals on a segregated portion of the lease premises shall not affect the rights of the party holding any other segregated portion. In the event of assignment, in whole or in part, liability for breach of any obligation of this Lease shall rest exclusively on the owner of this Lease or of a portion of the Lease who commits the breach.

11. **Release of Lease.** Lessee, at any time, and from time to time, may surrender this Lease as to all or any part or parts of the lease premises by tendering an appropriate instrument of surrender to the Lessor or filing for record a release or releases of this Lease as to any part or all of the Land, and then this Lease and the rights and obligations of the parties shall terminate as to the part or parts so surrendered. On each surrender as to any part or parts of the lease premises all payments specified in this Lease shall be proportionately reduced on an acreage basis, and Lessee shall maintain the rights to the surrendered portion as may be appropriate to its enjoyment of the portion not surrendered. Lessee shall have the right at any time during or after the expiration of this Lease to remove all machinery, equipment, fixtures, buildings, or other structures placed on the lease premises by Lessee, including the right to pull and remove all casing. If this Lease is ever terminated, forfeited, or expires, the Lessee (or Lessee's successors or assigns) shall execute a release or other form of document terminating or releasing the Lease, and file it of record in the county or counties where the lease premises are located. If the Lessee or Lessee's successor or assigns fail to release or cancel the Lease, on its forfeiture,

termination, or expiration, the then current owner of the Land may compel a cancellation of the Lease pursuant to any applicable or operable law or statute, in effect, in the state in which the Land is located.

12. Adverse Claims. In case of notice of or an adverse claim to the lease premises, affecting all or any part of the shut-in rentals, storage rentals or royalties, Lessee may withhold payment or delivery of the same until the ownership is determined by compromise, or by final decree of a court of competent jurisdiction, and to this end Lessee may file a petition for interpleader.

13. Surface Use. No well shall be drilled nearer than two hundred (200) feet of any house or barn now on the leased premises without the written consent of Lessor. Lessee shall pay for actual damages to growing crops and fences caused by its operations on the leased premises. When requested by Lessor owning an interest in the surface, prior to the laying of any pipeline, Lessee shall bury pipeline below plow depth on cultivated lands.

14. Storage. Lessee shall have the exclusive right to use any stratum or strata underlying the lease premises for the storage of gas or liquids and may, for such purpose, reopen and restore to operation any and all abandoned wells on the lease premises and may drill new wells for the purpose of injecting and storing gas or liquids in a stratum or strata and withdrawing the gas or liquids. If Lessee intends to use the premises for such purpose, or determines that it is using the premises, Lessee may deliver to Lessor or have recorded in the county or counties in which this Lease is recorded a declaration that the premises are being used, or from a specified date will be used, for gas or liquid storage, and thereafter Lessee shall have the exclusive right to use the premises for gas or liquid storage until the time as Lessee delivers to Lessor or have recorded in the county or counties a surrender of the right granted to Lessee by this section of the Lease or until Lessee shall intentionally abandon the right to use the premises for storage. During the period or periods that Lessee utilizes the lease premises for the storage of gas or liquids, the royalties provided in this Lease to be paid to Lessor shall accrue and become payable only on the gas and liquids that are taken from the lease premises by Lessee over and above the amount which Lessee stores or has stored in the stratum or strata. For and during the period or periods that Lessee uses the lease premises for storage, Lessee shall pay Lessor a minimum rental of Five Dollars (\$5.00) per acre per year on the number of acres covered by this Lease, this payment to be made not later than sixty (60) days from and after the end of each twelve (12) month period during which the lease premises are utilized for storage. Lessee is expressly granted the right to use so much of the surface of the premises as is reasonably necessary in the exercise of the rights granted to Lessee by this section. The rights granted to Lessee by this section shall continue in force for the period of time specified, but this Lease, insofar as it grants to Lessee the right to prospect and explore for, and produce oil and gas from stratum or strata other than those employed in storage, shall not be continued in force solely by the storage of gas or liquids as provided in this section.

15. Regulations and Delays. Lessee's obligations under this Lease, whether express or implied, shall be subject to all applicable laws, rules, regulations, and orders of any governmental authority having jurisdiction, including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances. When drilling, reworking, production or other operations are prevented or delayed by any laws, rules, regulations or orders, or by the inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate because of the prevention or delay, and shall be maintained in force and effect for so long as the prevention or delay continues, and for ninety (90) days thereafter, or so long as this Lease is maintained in force by some other provisions, whichever is the later date. Lessee shall not be liable for the breach of any express or implied covenants of this Lease when drilling, production, or other operations are so prevented, delayed, or interrupted.

16. Breach or Default. In the event Lessor considers that Lessee has not complied with the express or implied obligations of this Lease, Lessor shall notify Lessee in writing of the facts relied on as constituting a breach of the obligations. Lessee shall then have sixty (60) days after receipt of that notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of the notice shall be precedent to the bringing of any action by Lessor for any cause, and no action shall be brought until the lapse of sixty (60) days after service of the notice on Lessee. Neither the service of the notice nor the doing of any acts by Lessee aimed to meet all nor any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of Lessee's obligations. However, after production of oil or gas has been obtained from the Land or land pooled with all or part of the lease premises this Lease shall not be subject to forfeiture or loss, either in whole or part, for failure to comply with the express or implied obligations of this Lease except after final judicial ascertainment of the failure and after Lessee has been given a period of sixty (60) days after any final ascertainment to prevent a loss or forfeiture by complying with and discharging the obligations which the Lessee has been judicially determined to be in default.

17. Dower and Homestead. Lessor expressly relinquishes dower and releases and waives all rights under and by virtue of the homestead exemption laws of the state in which the lease premises are situated insofar as the same in any way affects the purposes for which this Lease is made.

18. Title Curative. Lessor agrees to execute affidavits, ratifications, amendments, and other instruments as may be necessary to carry out the purposes of this Lease.

19. Execution. Should any one or more of the parties named as Lessor fail to execute this Lease, it shall nevertheless be binding on the party or parties who execute it, and additional parties may execute this Lease as Lessor, and this Lease shall be binding on each party executing it notwithstanding that such party is not named as Lessor; and all of the provisions of this Lease shall inure to the benefit of and be binding on the parties and their respective heirs, legal representatives, successors, and assigns.

20. Free Gas: Lessor may lay a line to any producing well or storage well on the Leased Premises, but not to wells on lands unitized therewith, and take gas produced from said well for use for light and heat in one dwelling house on the Leased Premises at Lessor's own risk, subject to the use and right of shut-in, curtailment or abandonment of said well by Lessee. Lessor agrees to be bound by the rules and regulations of lessee relating to the use of free gas and agrees to execute a written acknowledgement of said agreement to abide by such rules and regulations. Lessee shall have the right at any time to interrupt the flow of gas suitable for domestic use. Lessee shall not be required to maintain flow of gas during any shut-in or curtailment. Lessor must furnish, pay for, install and maintain pipelines, connections, regulators and any other necessary equipment, except meters at Lessor's expense and maintain the same in good repair and free of all gas leaks and operate the same so as not to cause waste or leaks of gas. All such equipment from the well to the outside of the dwelling used by Lessor may be inspected and approved by the Lessee before any Lessee is required to provide any gas to Lessor. Any such inspection by the Lessee does not constitute any warranty or representation of suitability of equipment or proper installation by Lessee. That obligation shall be the exclusive obligation of the Lessor. Lessee merely reserves the right to inspect and observe that equipment has been installed. The first two hundred thousand cubic feet of gas taken in each year shall be free of cost, but all gas in excess of two hundred thousand cubic feet taken in each year shall be paid for at the price then being received by Lessee plus fifty cents per thousand cubic feet and measurement and regulation shall be by meters and

regulators set at the tap on the line. If Lessor shall take excess gas in any year and fail to pay for the same, the Lessee may offset and deduct payment for such excess gas from any payments accruing to the Lessor hereunder. If payments accruing to Lessor hereunder is insufficient to cover the unpaid charges for gas used by Lessor, Lessee terminate gas service without liability to Lessor of any kind until thirty days after the unpaid charges are paid by the Lessor. In the event the Leased Premises are sub-divided or unitized, the dwelling house located on the same tract as the producing or storage well shall be entitled to the free gas privilege. In no event shall there be more than one Lessor or dwelling taking gas under this free gas provision from the Leased Premises. LESSOR IS HEREBY ADVISED AND UNDERSTANDS THAT THE USE OF GAS FROM A WELL MAY BE DANGEROUS AND THAT THE RISKS INCLUDE, BUT NOT LIMITED TO, THE RISK OF EXPLOSION, FIRE, ASPHYXIATION, PERSONAL INJURY, DEATH, LOSS OR DAMAGE TO HOME OR OTHER PROPERTY. LESSOR ACKNOWLEDGES THE RISKS INHERENT IN THE USE OF GAS FROM A WELL AND LESSOR AGREES TO ASSUME ALL SUCH RISK WHETHER SAID RISKS ARE CAUSED BY THE LESSOR'S LINES OR EQUIPMENT OR OPERATIONS OR CAUSED BY ANY SOURCE RELATED TO THE USE OF SUCH GAS BY LESSOR. Lessor shall hold the Lessee and its successors and assigns harmless from any claims arising out of the use of gas hereunder, except for those claims arising from the sole negligence of the Lessee. Should there be any change of ownership of the Leased Premises or any of Lessor's rights hereunder, any new owners who would be entitled to any (free) gas rights under this Lease shall be bound by the rules and regulations of the Lessee relating to (free) gas used and no such new owners shall be entitled to any to any such rights under this Free Gas Clause unless they first execute a written acknowledgment of and agreement to abide by Lessee's rules and regulations then in affect.

21. Pipeline Option: For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, at the expiration or termination of this lease, Lessee shall be given the option to purchase pipeline right(s) of way for any existing pipelines laid under the terms of this lease for the price of \$ 1.00 per linear foot. Lessee shall have one (1) year to exercise this option from, the later of, the expiration or termination of this lease or after receiving written notification from the Lessor stating that said lease has expired or been terminated and demanding that Lessee exercise the pipeline option or abandon its pipelines in place.

22. Option to Extend Primary Term: This lease may, at Lessee's option, be extended as to all or part of the lands covered hereby for an additional primary term of three (3) years commencing on the fifth anniversary date of this lease. Lessee may exercise its option by paying, or tendering, to Lessor, on or before the last day of the non extended primary term, an extension payment of \$ 40.00 per net acre for the land then covered by the extended lease. Said extension payment is to be paid or tendered to the Lessor at the address above or at another address which has been provided to the Lessee or its assigns in writing by Lessor. If Lessee exercises this option, the primary term of this lease shall be considered to be continuous, commencing on the date of the lease and continuing from that date to the end of the extended primary term.

This Lease is executed by Lessor as of the date of the acknowledgment below, but shall be effective as of the Effective Date stated above.

Lessor

Anita Rae Miller

Anita Rae Miller

SS# 235-62-3816

SS# _____

State of WV
County of MARSHALL

The foregoing instrument was acknowledged before me this 7th day of MARCH, 2008, by Anita Rae Miller.



Guy A. Buffey
Notary Public in and for the State of Guy A. Buffey WV
Printed Name: Guy A. Buffey
Serial Number, if any: _____ Commission Expires: 10-26-2017

This Lease was prepared by: Guy A. Buffey
Whose address is: 202 North Chestnut Street, Clarksburg, WV. 26301
After Recording Return to: Gastar Exploration USA, Inc.
Whose address is: 1331 Lamar Steet, Suite 1080, Houston, TX 77010



JAN PEST
MARSHALL County 11:46:07 AM
Instrument No 1250290
Date Recorded 03/11/2008
Document Type O&G
Book-Page 666-535
Rec/Preserve \$5.00 \$1.00

STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST, Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing date on the 4th day of February 2008, was presented for and by me, admitted to record in my office upon the above certificate as to the parties therein named this 11th day of March 2008 at 11:46 o'clock A.M.

TESTE: Jan Pest Clerk.